## **Regulation 39-26-713.2(f)**

Use tax shall not apply to the storage, use, or consumption of tangible personal property, the sale or use of which has been subjected to a tax by another state and the tax paid in an amount equal to or in excess of the sales tax imposed by this article.

The storage, use, or consumption of tangible personal property, the sale or use of which has been subjected to a lesser tax than the tax imposed by this article, is not exempt; however, a credit for any similar tax paid to another state will be allowed against any tax accruing under this article, in respect to a given item of tangible personal property.

This exemption or credit will be denied if a tax paid to another state was not legally due under the laws of the other state.

<u>Multistate Tax Compact.</u> C.R.S. 1973, 24-60-1301, (Article V (1) of the Multistate Tax Compact) provides sales or use tax credit as follows:

"Each purchaser liable for a use tax on tangible personal property shall be entitled to full credit for the combined amount or amounts of legally imposed sales or use taxes paid by him with respect to the same property to another state and any subdivision thereof. The credit shall be applied first against the amount of any use tax due the state, and any unused portion of the credit shall then be applied against the amount of any use tax due a subdivision."